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CENTRAL INTELLIGENCE AGENCY INFORMATION REPORT REPORT NO.

CD NO.

COUNTRY Austria/Yumonlavia

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DATE DISTR.

20 Oct. 1949

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SUBJECT Yugoslav Commercial fortering is Conity REASONS THIS REPORT IS NOT TO BE FURTHER

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SUPPLEMENT TO REPORT NO.

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- l. On 2 August 1949, Wikola Ljubisic, Yugoslav Correctal Attaché in Vienna, roceived a priority request from the Yugoslav Ministry of Mines to procure dynamite caps which were urgently needed by the Ministry's coal mining section. Ljubisic's deputy, Safet Hadzic, arranged through Technopromet, Yugoslav purchasing agency in Vienna, to zurchase 400,000 dynamite caps at a total cost of \$39,200 (calculated at the legal rate of schillings to the dollar) from chaffler & Co., Vienna XV, Sturzonsse 34. Hadzic received the caps on that same day (2 August 1949) from the Schaffler factory in Winzendorf, Lower Austria, loaded 100,000 of them into his car, and drove to Maribor, where he delivered them to a representative of the Ministry of Mines.
- 2. USIA has apparently chosen to ignore the Tito-Cominform rift in its present program of liquidating its surplus stocks, and recently several USIA departments have approached Yugoslav correctal representatives in Vienna regarding the sale of USIA goods. A/O Avtovelo has offered the Yugoslavs 20 notor-driven railroad section cars at 30,000 schillings each.* The Central Correctal Bureau at Vionna I, Stalinplatz 10, is trying to sell all or part of a 1,000 ton lot of sheet metal now stored at a Schmidhuette Krems warehouse.
- 3. Johann Haselgruber has recently made several offers to Yuroslav purchasing agents regarding the sale of large stocks of machinery and other items now held in the Testern Zones of Garmany; he proposes to ship these goods to Yugoslavia via Antuerp. ** Haselgruber is quoted as saying that during recent weeks he has done a large volume of business with the Soviets and during August 1949 he sold them an estimated 6,000 tons of goods which originated in western Austria. Haselgruber is said to maintain offices at Vienna VIII, Lenaugasse 10; at Linz, Hanriederstrasse 26; at Viktoriastrasse 33, Dusseldorf; and at the Hotel Kaiserhof, Essen, Germany, where his representative is one von Appel.
- Dr. Essl R. Frank, residing at Vienna I, Ebendorferstrasse 6, is now trying to sell German Army rifles and aircraft engines to the Yugoslavs through a 4. commercial arent, one Mato Slavmovic.

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5. To date, an estimated total of 1,500 tons of iron rails has been shipped by barge to Yugoslavia in accordance with ferms of USIA's contract with Franjo Ruppan, export-import firm in Trieste. ***

6. Austrian and Yugoslav commercial representatives are to meet in Belgrade on 15 September 1949 to prepare a new commercial agreement between their countries.

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Comment: USIA has been trying to sell these motor-driven railroad section cars for some time (see

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Comment: For previous reports on Haselgruber's negtiations with the 25X1A Yugoslave, see

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Comment: Details of the USI !- Ruppan contract were given in